

MARKETING MATTERS

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Kentucky-Grown Christmas Trees Make Merry Memories

Christmas tree season typically starts the day after Thanksgiving, and growers like Kovalic's in Winchester are gearing up for a busy season this year. Kovalic's offers choose-and-cut opportunities for families that want to select and cut their own tree, balled and burlapped trees for families that want to plant their tree after the holidays, and pre-cut trees. Wreathes, garland and swags are also offered at Kovalic's for holiday decorating.

Pete Kovalic, a lifelong forester, began planting Christmas trees in the spring of 1990 and sold trees from a friend in the business while waiting on his trees to mature, which typically takes around eight years. He now has around 10,000 trees of all shapes and sizes on his farm off Ecton Road.

"Everyone has their own perception of what a perfect tree looks like, which makes every tree a perfect tree to somebody," said Kovalic. Kentucky trees are the safest trees around because they are the freshest trees around. "Green trees don't pose the fire hazard that dry trees do, so people should buy Kentucky fresh-cut trees with confidence," said Kovalic.

"After our trees are cut, they are shaken to remove any dead needles, bagged, drilled for mounting, and secured for transport. We also give our customers directions on how to keep their trees fresh and safe once they get home," said Kovalic.

"The majority of our business comes from repeat customers who bring the whole family to our farm to select their tree." Kovalic's wife Jackie said, "We enjoy being part of each family's Christmas traditions."



Pete Kovalic pictured here with one of his many trees.

Kovalic believes farmers in rural areas may profit from Christmas tree farming and could potentially receive \$15 profit on a \$20 tree if input costs are kept to a minimum. Trees can be managed for choose-and-cut or clear-cut production, depending on the growers preference. "Seedlings range from 15 cents for pine to \$1.50 apiece for varieties like Canaan Fir, and only quality trees from private nurseries should be used since 30-50 percent of seedlings can be lost any given year," said Kovalic. Kovalic recommends a 6 foot by 6 foot spacing that allows 1,210 trees per acre. He also advises not planting varieties like Frazier Fir that don't do well in Kentucky's climate. Kovalic said, "Scotch and white

pine are my bread and butter." Trees must be sheared each June beginning their third year to give them their shape and also need to be monitored for bagworm, sawfly, and disease damage. Spraying the trees with colorant in the fall gives trees a darker cast and makes them more marketable.

Warm up with a cup of hot chocolate or cider while browsing Kovalic's gift shop, and don't forget your wreaths and garland for holiday decorating. From Main Street in Winchester take Route 15 to State route 1960 (Ecton Road) one-quarter mile on right. Kovalic's is open 10 a.m.- 8 p.m. Monday through Saturday and Sunday 1 p.m.-6 p.m. starting the day after Thanksgiving. To find a Christmas tree grower in your area check the Kentucky Christmas Tree Growers Web site at www.kychristmastrees.com or the KDA's Web site www.kyagr.com.

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KDA participates in trade mission to China



Kentucky dairy heifer grower Bill Davis (center), sharing pictures of his operation with officials in China.

By Eunice Schlappi

A contingent from Kentucky recently completed a trade mission to China to promote Kentucky products, including dairy and beef cattle and genetics, goats, aquaculture, and wood products. The group included Harvey Mitchell, Chief of Staff; Eunice Schlappi, Dairy Marketing Specialist; and Dr. Cris Young, Field Service Veterinarian, all with the Kentucky Department of Agriculture. Bill Davis, a dairy heifer grower from Mt. Hermon in Monroe County, also made the trip to help promote the sale of dairy cattle and genetics. Joe Flynn of Flynnco International in Lexington organized the trade mission.

The trip included stops from the South China area of Hainan Island to Beijing to Harbin in North China. Many of these areas are in the economic and agricultural development stages and are in need of resources from outside their country. The South China area has no dairy development and very little beef. However, that area has a tropical climate that provides for four different grazing seasons. North China is further along in agricultural development in both the beef and dairy industry and in crop production. Most dairy products provided to China come from the northern area of the country or from other countries. Much of it is shipped in powder form due to the lack of refrigeration in many areas. Beef is mainly consumed in the more concentrated areas of Beijing and Hong Kong. However, the changing economy offers increased demand for more beef consumption all across China.

The group met with government and private sector leaders in Haikou and Danzhou on Hainan Island to discuss

agricultural projects and the potential for cooperation. They also met with the managers of a 30,000-acre farm to get a better understanding of the developmental potential for that area.

The Xiamao Importing/Exporting company is one of the main importers of both beef and dairy cattle and genetics for over 100 clients in China.

Company representatives gave a presentation outlining their needs and requirements for quality, health and quarantine issues, financing, and shipping.

Members of a dairy farming operation from Inner Mongolia made a 16-hour train trip to meet with the group in Beijing to discuss the prospect of obtaining dairy heifers, embryos, and semen from Kentucky. The farm is expecting to expand its operation by 240,000 head during the next five years. The talks were very productive, and further correspondence is expected from that group.

The Kentucky contingent met with Chinese government officials of the AQSIQ office (Administration of Quality, Supervision, Inspection, and Quarantine) and with U.S. Embassy officials to talk over the requirements and impediments of shipping cattle and genetics into China. Other meetings included visits with Chinese Agriculture Ministry officials, International and Foreign Economic Cooperation representatives, and the Bureau of Foreign Trade.

Tours of farming and production operations were provided to exhibit many different developmental opportunities, including dairy, beef, grains, fruit crops, and forage. A tour of the Beijing Embryo Transfer and Semen Center tour showed a very progressive research and production facility.

Overall, the trade mission was very informative and productive. More information will be sought to develop a better understanding of the Chinese business structures and market potential. Efforts and interest for export from Kentucky to China will be concentrated on dairy and beef cattle genetics, technology, beef processing and marketing, hardwood products, and others.

Keep Them or Sell Them?

By Tim Dietrich

I am sure this is a question that more than one person has asked themselves this year. There is no question we are in one of the best cattle markets we have seen in a while and many producers have to be asking themselves if it will be worth it to keep their calves and market them through one of the upcoming CPH-45 sales.

At today's prices probably not many would argue with the concept of turning your calves into dollars right now. However, if we look at the facts there is still potential to really hit a home run by backgrounding them, putting cheap gain on and marketing them at heavier weights. Everything I read still tells me that prices will remain strong for some time to come and the potential for adding value to them is very real.

Let's look at one simple scenario. In today's market it is not unrealistic to sell your 500-pound steer calves for \$1.10 per pound, and that is very good. But what if you keep them a while longer and put 200 pounds on them so you have 700-pounders to market in two to three months? With the costs of feedstuffs being where they are, you should be able to put a pound of gain on for about 35 cents, and with the feeder cattle futures into January being in the mid- to upper 90's, that is a pretty good return on investment. That 500-pound calf was worth \$550, and the 700-pound calf at 96 cents per pound will be worth \$672. The gain of 200 pounds cost \$70, so that would be an extra \$52 per calf to you, the producer.

I have used realistic, maybe even conservative figures in this illustration so there is potential to increase that bottom line. The technical indicators all show the market staying strong, but of course they can't account for any unforeseen situations that may arise. It is just a matter of you assuming that risk for the potential benefit rather than the current buyers assuming that risk. I can promise you, every time you sell a calf the buyer is planning on making a profit. This situation just allows you, the producer, to realize more of the final value of that animal. In good times, you should consider the potential increased profit opportunity for this year's calf crop.

Home-Based Processing Can Add to Farmers' Profits

By Janet Eaton

On March 10, 2003, House Bill 391 was enacted into law as KRS 217.136 allowing small farmers the ability to home-process their produce at a minimal cost. Since that time many Kentucky producers have added to their sales by processing fruits into jams and jellies, made and sold zucchini and pumpkin bread, and sold many other value-added products processed in their homes.

Interested farmers may apply for one or both of two permits to home-process foods under the current law. The product must be sold by the producer at a farmers' market, roadside stand, or on their farms and contain agricultural products that were grown by the seller.

The first category is **home-based processor**. This category allows the farmer to process and sell whole fruit and vegetables, mixed greens, jams, jellies, sweet sorghum syrup, preserves, fruit butter, bread, fruit pies, cakes, or cookies.

To register, the farmer obtains a form from the Department of Public Health through its Web site at <http://chs.ky.gov/publichealth/Food-Program.htm>, or at

the local health department, or the University of Kentucky Cooperative Extension county office. Fill out the form, making sure you complete every line, and return it to the address listed. The farmer may not sell the product until he/she receives official approval and the registration document.

The second category is **home-based microprocessor**. This category allows a farmer to produce acid foods, formulated acid food products, and/or low-acid canned foods. This includes but is not limited to green beans, salsa, barbecue sauce, pickles, chutney and similar products. The farmer must have an annual net income of less than \$35,000 from the sale of the product.

To become certified the farmer must successfully complete the Home-based Microprocessor Workshop offered by the University of Kentucky Cooperative Extension Service or an FDA-approved Better Process Control School; apply for and receive certification through the Cabinet for Health Services; and pay an annual \$50 fee.

The farmers' market where both kinds of products are sold must be listed with the Kentucky Department of Agri-

culture, and the roadside stand must be registered with the Kentucky Farm Bureau. The processor may NOT sell his or her processed products at any other location or to other vendors at the market.

Products must include: name and address of operation; common name of food product; ingredients, in descending order by weight; net weight and volume; statement in 10-point type "**This product is home-produced and processed,**" and date product was processed.

For more information call Mark Reed at (502) 564-7181, ext. 3677, or Anita Travis at (502) 564-7181, ext. 3718, at the Department of Public Health.

Check livestock, grain, futures market settlements, feed ingredient, and tobacco market prices toll-free at 1-800-327-6568

Hay testing provides marketing advantages

Staff Report

Abundant rainfall this year has created a great hay crop for most farmers around the state. As supply exceeds demand in any commodity, prices tend to be lower. Some farmers have reported as many as three cuttings of grass hay this year, one or two more than previous years. Alfalfa and other legumes have also seen an average one or two more cuttings than previous years. This all translates to more hay and finding ways to sell excess supply.

By testing your hay with KDA's Hay and Grain Branch farmers reap the marketing power of advertising their hay to the public through the department's Web site. In addition, having nutritional values on your hay also helps keep your hay in demand by discriminating buyers.

If you're interested in having your hay tested through the KDA's Hay and Grain Branch, contact Allen Johnson at (502) 573-0282 or toll-free at 1-800-432-9262.

What's Happening in the Division of Show & Fair Promotion?

By Jeff Zinner

Summer has come to a close, but the livestock show season is still going strong. Although the State Fair is over, the Division of Show & Fair Promotion continues to provide youth and adults the opportunity to exhibit and market their livestock.

During the month of October, exhibitors were offered the opportunity to show and sell their livestock at the Kentucky Classic Boer Goat Show and Sale in Harrodsburg and the Kentucky Fall Classic Junior Beef Show in Stanford. The Kentucky Classic Boer Goat Show offered a unique opportunity for exhibitors and breeders to show and market their animals all at one place. Both of these events occurred on Oct. 11.

The Division of Show & Fair Promotion is also hard at work planning for the upcoming 2004 show season. Advisory meetings for each livestock species are

being held through November. Revisions and updates are currently being made to all informational handouts and rule booklets.

Another event the division is involved in is the North American International Livestock Exposition. Division of Show & Fair Promotion staff is assisting with all of the livestock shows throughout the NAILE.

We are currently working on a new educational CD that may be utilized in classrooms across the Commonwealth. The purpose of this CD is to help promote Kentucky's agriculture industry. Keep an eye out for the arrival of this new CD!

If you are a producer, a 4H or FFA member, or are interested in becoming involved in the livestock industry, please contact the Division of Show & Fair Promotion at (502) 564-4983.

Valentine's Ice Cream Introduces New Gourmet Cider

Three years ago Kevan Evans received a grant from the Kentucky Agricultural Development Board to develop a roadside farm market and cider mill off Stone Road, in Scott County. Part of his grant project included a commitment to mill apples for other orchards in his area. This commitment has currently been producing 1,200-1,400 gallons of cider per week from nine other orchards in the area.

"In the orchard business you need to work together with other growers to stay in business," said Evans, who also manages the farm's vegetable and beef cattle operations. Daughter Jenny handles the marketing work and schedules school tours, group activities, and festivals at the farm.

Valentine's LLC, an ice cream manufacturer in Winchester looking for additional



products to incorporate into its product line, decided to contact Evans about making a gourmet cider that called for U.S. No. 1 grade apples from several varieties. No artificial flavors or preservatives are added, and there is no fat or cholesterol. Now in addition to ice cream, Valentine's is offering "Valentine's Gour-

met" fresh pressed 100 percent natural apple cider at Lexington area Krogers, Sloane's, Critchfield's, Good Foods Co-Op, Health Harvest Bakery, Liquor Barn stores in Lexington and Louisville, and Ken's in Cynthiana. Other stores include Rainbow Blossom and Doll's Markets in Louisville and Food World in Winchester.

According to Valentine's promotional materials, "Most ciders being marketed locally are derived from concentrate and/or loaded with preservatives. In addition, regular pasteurization is harmful to flavor. Flash pasteurization maintains the flavor quality and taste profile. Therefore, our cider must be refrigerated at all times."

Ask your local grocer for Valentine's Cider and you'll know it was grown and produced in Kentucky by growers committed to quality.

Don't forget to look for the Kentucky Fresh logo to find other products grown and processed in Kentucky.

For more information on Evans Orchard visit its Web site at www.evansorchard.com. Retailers interested in carrying Valentine's cider should contact Doug Jones or Scott Berryman at (859) 576-5898. For additional information about Valentine's check out its Website at www.valentinesicecream.com.

— Bill Holleran



Valentine's cider is produced at Evans Orchard in Georgetown.

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